



Global X 21Shares Ethereum ETF

Annual Financial Report
For the year ended 30 June 2024



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Directors' Report

The directors of Global X Management (AUS) Limited (the "Responsible Entity"), the Responsible Entity of Global X 21Shares Ethereum ETF (the "Fund"), present their annual report together with the financial statements of the Fund, for the year ended 30 June 2024 and the auditor's report thereon.

Fund Objectives

The Fund invests in Ethereum by holding units in the Global X 21Shares Wholesale Ethereum Trust (the "Sub-Fund"), an unregistered managed investment scheme. The Responsible Entity is the trustee of the Sub-Fund. Under the Trust Deed, each unit in the Sub-Fund entitles the Fund to a Coin Interest in the Sub-Fund, separate from all other Coin Interests, and each Coin Interest in the Sub-Fund is in turn an interest in an amount of Ethereum equal to the Coin Entitlement separate from all other interests in the Sub-Fund. Each holder is therefore absolutely entitled to the value of the underlying Ethereum held by the Sub-Fund.

The Fund aims to provide a return that tracks the performance of the price of Ethereum in Australian dollars (before fees and expenses) by reference to the US dollar Crypto Coin Comparison Aggregated Index ("the Index") converted to Australian dollars. The value of an investment in a Coin Interest will be subject to fluctuations in the AUD/USD exchange rate as well as fluctuations in the price of Ethereum. The Coin Interests provide holders with a beneficial interest in Ethereum without the necessity of holding, trading and storing Ethereum.

The Sub-Fund has been established by the Responsible Entity to act as a special purpose vehicle for holding Ethereum on behalf of the Fund. Coinbase Custody Trust Company, LLC has been appointed as the custodian of the Ethereum acquired in connection with the Fund.

The Fund is an Exchange Traded Fund ("ETF") and can be traded by investors on the Cboe Australia exchange ("Cboe"). ETFs can be bought and sold like any other share through normal brokerage accounts.

Principal Activities

The Fund was constituted on 7 October 2021 and commenced its operations on 9 May 2022. The Fund is currently quoted on the Cboe Australia exchange. The admission date was 12 May 2022.

The Fund invested in accordance with the provisions of the Fund's Constitution. There were no significant changes in the nature of the Fund's activities during the year ended 30 June 2024.

The Fund did not have any employees during the year ended 30 June 2024.

Directors

The following persons held office as directors of the Responsible Entity during the financial year or since the end of the financial year and up to the date of this report as follows:

Young Kim
Evan Metcalf
Oliver Reynolds (Appointed on 11 September 2023)
Namki Kim (Appointed 30 July 2024)
Emanuel Damianakis (Appointed 5 August 2024)
Kanish Chugh (Resigned on 7 September 2023)
Thomas Park (Resigned 30 July 2024)
Chi Ho Man (Appointed 12 December 2023, Resigned 5 August 2024)

Review and Results of Operations

During the year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.



Directors' Report (continued)

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year under review.

Matters Subsequent to the End of the Financial Year

As the investments are measured at their 30 June 2024 fair values in the financial report, any change in values subsequent to the end of the reporting period is not reflected in the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position. Since the end of the reporting year, the Fund's net asset value has decreased by more than 10% due to changes in fair value of investments held. There has been no change to the implementation of the investment strategy as set out in the Fund's product disclosure statement.

The management fee has been reduced from 1.25% to 0.59% as of 1 July 2024

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

Likely Developments and Expected Results of Operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests.

The market price is a function of supply and demand amongst investors wishing to buy and sell and the bid or offer spread that the market makers are willing to quote. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and Insurance of Officers and Auditor

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the Law, officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees Paid and Interests Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 7 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are also disclosed in Note 7 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 5 of the financial statements.

Value of Assets

The value of the Fund's assets and liabilities is disclosed on the Statement of Financial Position and derived using the basis set out in Note 2 of the financial statements.



Directors' Report (continued)

Environmental Regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law.

Rounding of Amounts

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the financial statements have been rounded to the nearest dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 4. The financial statements were authorised for issue by the directors on 19 September 2024. This report is made in accordance with a resolution of the directors.

Evan Metcalf
Director

Sydney
19 September 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Global X Management (AUS) Limited as the Responsible
Entity of Global X 21Shares Ethereum ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of Global X 21Shares
Ethereum ETF for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.


KPMG



Nic Buchanan

Partner

Sydney

19 September 2024



	Notes	For the year ended 30 June 2024 AUD	For the year ended 30 June 2023 AUD
Investment income			
Net gains on financial instruments at fair value through profit or loss (including FX gains/(losses))	4	<u>5,628,061</u>	<u>2,130,552</u>
Total net investment income		<u>5,628,061</u>	<u>2,130,552</u>
Expenses			
Management fee	7	<u>140,805</u>	<u>45,490</u>
Total operating expenses		<u>140,805</u>	<u>45,490</u>
Profit for the year		5,487,256	2,085,062
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>5,487,256</u>	<u>2,085,062</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying



	Notes	As at 30 June 2024 AUD	As at 30 June 2023 AUD
Assets			
Financial assets at fair value through profit or loss	6	<u>22,722,674</u>	<u>4,728,659</u>
Total assets		<u>22,722,674</u>	<u>4,728,659</u>
Liabilities			
Current Liabilities			
Management fee payable	7	<u>21,391</u>	<u>4,856</u>
Total liabilities excluding net assets attributable to unitholders		<u>21,391</u>	<u>4,856</u>
Net assets attributable to unitholders - liability	5	<u>22,701,283</u>	<u>4,723,803</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



	For the year ended 30 June 2024 AUD	For the year ended 30 June 2023 AUD
<i>Total equity at the beginning of the year</i>	-	-
<i>Total equity at the end of the year</i>	-	-

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



The Fund does not have any cash flows as defined under AASB 107 Statement of Cash Flows. As such no Statement of Cash Flows has been presented for the current year.



1. General Information

These financial statements cover Global X 21Shares Ethereum ETF (the “Fund”) as an individual entity. The Fund was registered with the Australian Securities and Investments Commission (ASIC) as a registered managed investment scheme on 7 October 2021, and commenced its operations on 9 May 2022. The Fund is currently quoted on the Cboe Australia exchange with ticker code EETH.

The Fund is domiciled in Australia and is a for-profit entity.

The investment objective of the Coin Interests issued by the Fund is to provide a return that tracks the performance of the price of Ethereum in Australian dollars (before fees and expenses) by reference to the US dollar Crypto Coin Comparison Aggregated Index converted to Australian dollars. The Coin Interests provide holders with a beneficial interest in Ethereum without the necessity of holding, trading and storing Ethereum. The Fund will invest in Ethereum through the ETFS 21 Shares Wholesale Ethereum Trust (the “Sub-Fund”), an unregistered managed investment scheme.

Under the Trust Deed, each unit in the Sub-Fund entitles the Fund to a Coin Interest in the Sub-Fund, separate from all other Coin Interests, and each Coin Interest in the Sub-Fund is in turn an interest in an amount of Ethereum equal to the Coin Entitlement separate from all other interest in the Sub-Fund. Each holder is therefore absolutely entitled to the value of the underlying Ethereum held by the Sub-Fund.

The Responsible Entity of the Fund is Global X Management (AUS) Limited (the “Responsible Entity”). The Responsible Entity’s registered office is Level 9, 115 Pitt Street, Sydney NSW 2000, Australia.

The financial report was authorised for issue by the directors on 19 September 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars, which is the Fund’s functional currency.

2. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Statement of Compliance and Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001* in Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss. The amount expected to be recovered or settled within twelve months after the end of each reporting year cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

The Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies.

The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year ended 30 June 2024 that would be expected to have a material impact on the Fund.



2. Summary of Material Accounting Policies (continued)

(a) Statement of Compliance and Basis of Preparation (continued)

(iii) New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted.

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been early adopted in preparing these financial statements.

Most of these are not expected to have a material impact on the financial statement of the fund. However, management is still in the process of assessing the impact of the new standard AASB 18 which was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements.

(iv) Investment entity exception

The Fund meets the definition of an investment entity and therefore apply the investment entity amendments to AASB 10 Consolidated Financial Statements ("AASB 10"), AASB 12 Disclosure of Interests in Other Entities and AASB 127 Separate Financial Statements. AASB 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Fund controls the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Fund meets the definition of investment entity due to the following factors:

- (a) the Fund obtains funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
- (b) the Fund commits to the unitholders that the business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Fund measures and evaluates the performance of substantially all of their investments on a fair value basis.

In making the above assessments, the Fund has multiple investments and multiple investors. Its investors are generally unrelated parties of the Funds. Unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Fund meets the definition of investment entity.

(b) Financial Instruments

(i) Classification

The Fund classifies its investments based on its business model for managing those financial assets and their contractual cash flow characteristics. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund evaluates the information about its investments on a fair value basis together with other related financial information.

Coin Interests are measured at fair value through profit or loss.

The Fund holds units (in the form of Coin Interests) in the Global X 21Shares Wholesale Ethereum Trust (the "Sub-Fund"), an unregistered management investment scheme which are classified as financial assets at fair value through profit or loss.

(ii) Recognition/decognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.



2. Summary of Material Accounting Policies (continued)

(b) Financial Instruments (continued)

(iii) Measurement (continued)

- **Fair value in an active market**

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities held by the Fund is the last traded market price.

- **Fair value in an inactive or unquoted market**

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Fund recognises the difference in the Statement of Profit or Loss and Other Comprehensive Income to reflect a change in factors, including time, that market participants would consider in setting a price.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(c) Offsetting Financial Instruments

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position. Where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously on default or in the ordinary course of business, the financial assets and liabilities will be offset and reported on a net basis in notes to the financial statements.

(d) Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

Units are classified as liability under AASB 132 *Financial instruments: Presentation*.

(e) Increase/Decrease in Net Assets Attributable to Unitholders

Movements in net assets attributable to unitholders are recognised in the Statement of Financial Position.

(f) Applications and Redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets for unit pricing purposes of the Fund, divided by the number of units on issue at or immediately prior to close of business each day. Applications and redemptions of units are processed simultaneously.



2. Summary of Material Accounting Policies (continued)

(g) Income Tax

Under current legislation, and as disclosed in the PDS, the Fund is not subject to income tax and the taxable income of the Fund is fully attributed to unitholders.

(h) Management Fees

A Management Fee of 1.25 percent per annum of the Net Asset Value of the Fund is borne by, and will be paid out of the assets of the Sub-Fund to the Responsible Entity. The Management Fee will be accrued based on the daily Net Asset Value of the Fund and paid monthly in arrears by the Sub-Fund. The Coin Entitlement represented by each Coin Interest reduces each day by the amount of the Management Fee.

(i) Use of Estimates and Critical Accounting Judgments

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

As disclosed in the PDS, the Ethereum held by the Sub-Fund is valued at the Crypto Coin Comparison Aggregate Index, which calculates the market price of cryptocurrency pairs traded across exchanges, based on readily available quoted market prices. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(j) Rounding of Amounts

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including price risk and currency risk). The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the Portfolio Managers with oversight by the Compliance Officer and ultimately by the Board of Directors of the Responsible Entity (the "Board") under policies approved by the Board.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks. Sensitivity analysis is explained in Note 3(b).

(a) Market Risk

(i) Price risk

The Fund is exposed to price risk. This arises from investments held by the Fund for which prices in the future are uncertain. They are classified in the Statement of Financial Position as financial assets at fair value through profit or loss. All securities investments present a risk of loss of capital.

Market risk is managed and monitored by the Responsible Entity on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Fund's investment model which is reviewed and updated regularly.

In addition, the Board regularly reviews the Fund to ensure the Fund is following the appropriate investment model, its portfolio is in accordance with its stated guidelines and restrictions, and the performance of the Fund remains in expected bounds.

The sensitivity analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.



3. Financial Risk Management (continued)

(b) Sensitivity Analysis

The following table summarises the sensitivity of the Fund's net assets attributable to unitholders to price risk. Actual movements may be greater or less than anticipated depending on prevailing market conditions.

	Global X 21Shares Ethereum ETF Price Risk	
	-10%	+10%
Impact on operating profit/net assets attributable to unitholders		
	AUD	AUD
30 June 2024	(2,272,267)	2,272,267

	Global X 21Shares Ethereum ETF Price Risk	
	-10%	+10%
Impact on operating profit/net assets attributable to unitholders		
	AUD	AUD
30 June 2023	(472,866)	472,866

(c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due. The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

At 30 June 2024	Less than 1 month	Total
	AUD	AUD
Liabilities		
Net assets attributable to unitholders	22,701,283	22,701,283
Total liabilities	22,701,283	22,701,283
 At 30 June 2023	 Less than 1 month	 Total
	AUD	AUD
Liabilities		
Net assets attributable to unitholders	4,723,803	4,723,803
Total liabilities	4,723,803	4,723,803



3. Financial Risk Management (continued)

(d) Credit Risk Exposure

Credit risk is the risk that the counterparty will fail to perform contractual obligations, either in whole or in part, when they fall due.

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of financial assets and liabilities as they are marked to market.

(i) Settlement of securities transactions

All transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(e) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting year approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying value less loss allowance of other receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

(i) Fair value in an active market

The fair value of the Fund's units (Coin Interests) in the Sub-Fund is determined by measuring the aggregate value of any Ethereum which is deliverable or delivered to the Sub-Fund at the Crypto Coin Comparison Aggregate Index at the end of the reporting year without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2(b). The Fund relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

(f) Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



3. Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Fund's financial assets (by class) measured at fair value according to the fair value hierarchy at 30 June 2024 and 30 June 2023:

	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
As at 30 June 2024				
Financial Assets				
Unlisted unit trust	-	22,722,674	-	22,722,674
Total	-	22,722,674	-	22,722,674
	Level 1 AUD	Level 2 AUD	Level 3 AUD	Total AUD
As at 30 June 2023				
Financial Assets				
Unlisted unit trust	-	4,728,659	-	4,728,659
Total	-	4,728,659	-	4,728,659

The Fund's units (Coin Interests) in the Sub-Fund are categorised in either level 2 or 3 of the fair value hierarchy depending on the extent of observable data inputs used in the pricing models. In accordance with the replacement PDS, the fair value of the Ethereum held by the Sub-Fund is based on the Crypto Coin Comparison Aggregated Index, which calculates the market price of cryptocurrency pairs traded across exchanges, based on readily available quoted market prices, using a 24-hour volume weighted average for each currency pair.

The Fund did not hold any level 3 instruments during the year ended 30 June 2024 (30 June 2023: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2024 (30 June 2023: Nil).

(g) Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position.

4. Net Gains/(Losses) on Financial Instruments at Fair Value Through Profit or Loss (Including FX Gains/(Losses))

The net gains/(losses) recognised in relation to financial assets at fair value through profit or loss (including FX gains/(losses)):

	Year ended 30 June 2024 AUD	Year ended 30 June 2023 AUD
Net unrealised gain/(losses) on financial assets at fair value through profit or loss (including FX gains/(losses))	5,337,195	2,539,666
Net realised gain/(losses) on financial assets at fair value through profit or loss (including FX gains/(losses))	290,866	(409,114)
Net gains/(losses) on financial assets at fair value through profit or loss (including FX gains/(losses))	5,628,061	2,130,552



5. Net Assets Attributable to Unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The Fund does not meet the criteria set out under AASB 132 and, as a result, net assets attributable to unitholders is classified as liability.

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Movement in number of units and net assets attributable to unitholders during the year were as follows:

	No.	Year ended 30 June 2024 AUD	No.	Year ended 30 June 2023 AUD
Opening balance	1,729,483	4,723,803	1,600,000	2,382,666
Movement in net assets attributable to unitholders	-	5,487,256	-	2,085,062
Applications	3,220,000	13,942,889	500,000	1,109,757
Redemptions	(380,000)	(1,452,665)	(370,517)	(853,682)
Closing balance	4,569,483	22,701,283	1,729,483	4,723,803

Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. As of 30 June 2024, the capital of the Fund is represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Fund's Constitution allows the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allows payment to be delayed beyond the maximum number of days.

6. Financial Assets at Fair Value Through Profit or Loss

	As at 30 June 2024 AUD	As at 30 June 2023 AUD
Financial assets at fair value through profit or loss		
Unlisted unit trust	22,722,674	4,728,659
Total financial assets at fair value through profit or loss	22,722,674	4,728,659

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 3.

7. Related Party Transactions

Responsible Entity

The Responsible Entity of the Fund is Global X Management (AUS) Limited (ACN 150 433 828, AFSL 466778) whose ultimate holding company is Mirae Asset Global Investments Co., Ltd and the direct parent is Global X (AUS) Pty Ltd.

On 15 June 2022, Mirae Asset Global ETFs Holding Ltd (55%) and Global X Management Company, Inc. (45%) purchased all the shares in ETFS (AUS) Pty Limited (the immediate parent entity of the Responsible Entity). Both companies are part of the Mirae Asset Global Investments Group. The acquisition has not had an impact on the operations of the Fund.

Global X Management (AUS) Limited and Global X (AUS) Pty Ltd. are incorporated in Australia. The Fund does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered the key management personnel.



7. Related Party Transactions (continued)

Key management personnel

Key management personnel include persons who were directors of the Responsible Entity at any time during the financial year or since the end of the financial year and up to the date of this report as follows:

Directors

Young Kim
Evan Metcalf
Oliver Reynolds (Appointed on 11 September 2023)
Namki Kim (Appointed 30 July 2024)
Emanuel Damianakis (Appointed 5 August 2024)
Kanish Chugh (Resigned on 7 September 2023)
Thomas Park (Resigned 30 July 2024)
Chi Ho Man (Appointed 12 December 2023, Resigned 5 August 2024)

Other key management personnel

No other person had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the reporting year and up to the date of this report.

Key management personnel unitholdings

From time to time, directors of the Responsible Entity, or their related entities, may invest in or withdraw from the Fund. These investments or withdrawals are subject to the same terms and conditions as those entered into by other unitholders of the Fund.

No units were held by key management personnel during the year.

Key management personnel compensation

Key management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

Management fees and other transactions

In accordance with the Fund's Constitution, the Responsible Entity was entitled to receive fees for the provision of services to the Fund.

At 30 June 2024	Amount Charged AUD	Amount Outstanding AUD
Management fee	140,805	21,391
At 30 June 2023	Amount Charged AUD	Amount Outstanding AUD
Management fee	45,490	4,856

Management fees

The management fee is calculated by applying a fixed percentage to the value of units in issue on a daily basis, equivalent to 1.25% per annum. The management fees is paid by the Sub-Fund on a monthly basis.



7. Related Party Transactions (continued)

Investments

As disclosed in the replacement PDS, the Fund holds units in the Global X 21Shares Wholesale Ethereum Trust (the “Sub-Fund”), an unregistered managed investment scheme. The Responsible Entity is the trustee of the Sub-Fund.

Related party unitholdings

The Responsible Entity, its related parties and other funds managed by the Responsible Entity did not hold any units in the Fund as at 30 June 2024.

Other transactions with the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund since the end of the previous financial year and there were no material contracts involving key management personnel's interests subsisting at year end.

8. Remuneration of Auditor

During the year, the following fees were paid or payable for services provided by the auditor of the Fund.

	For the year ended 30 June 2024 AUD	For the year ended 30 June 2023 AUD
KPMG		
Audit and review of the financial statements	34,485	31,000
Other regulatory assurance services	<u>2,874</u>	<u>2,625</u>
Total	<u>37,359</u>	<u>33,625</u>

Other services related to the audit of the Fund’s compliance plan. The audit fees paid or payable are discharged by the Responsible Entity from the fees earned from the Fund.

9. Events Occurring After the Reporting Year

Since the end of the reporting year, the Fund's net asset value has decreased by more than 10% due to changes in the fair value of investments held. There has been no change to the implementation of the investment strategy as set out in the Fund’s product disclosure statement.

The management fee has been reduced from 1.25% to 0.59% as of 1 July 2024.

No other significant events have occurred since the end of the reporting year up to the date of signing the Financial Report which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

10. Contingent Assets, Contingent Liabilities and Commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2024.



11. Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

An interest in a structured entity is any form of contractual or non contractual arrangement with an entity which creates variability in returns from the performance of the arrangement for the Fund.

The Fund invests in the Sub-Fund and considers this investment to be an interest in a structured entity. The Fund generally has no involvement with these structured entities other than the securities it holds as part of its investments. The maximum exposure to loss on investments in structured entities is restricted to the carrying value of the asset.

The exposure to investments in the Sub-Fund are summarised in Note 6. These investments are managed in accordance with financial risk management practices as set out in Note 3.



Directors' Declaration

In the opinion of the directors of Global X Management (AUS) Limited, the Responsible Entity of Global X 21Shares Ethereum ETF.

- (a) the financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date;
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity.

Evan Metcalf

Director

Sydney

19 September 2024



Independent Auditor's Report

To the unitholders of Global X 21Shares Ethereum ETF

Opinion

We have audited the **Financial Report** of Global X 21Shares Ethereum ETF (the Fund).

In our opinion, the accompanying Financial Report of the Fund gives a true and fair view, including of the Fund's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the Corporations Act 2001, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of Financial Position as at 30 June 2024
- Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended
- Notes including material accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period. This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Valuation and existence of financial assets at fair value through profit or loss	
Refer to Note 2b Material Accounting Policies, Note 3e Financial Risk Management and Note 6 Financial assets at fair value through profit or loss (\$22,701,283) in the Financial Report.	
The key audit matter	How the matter was addressed in our audit
<p>Financial assets at fair value through profit or loss comprise units (Coin Interests) in the Global X 21Shares Wholesale Ethereum Trust (the Sub-Fund). The Coin Interests provide Holders with a beneficial interest in Ethereum without the necessity of holding, trading and storing Ethereum</p> <p>The Fund and Sub-Fund outsource certain processes and controls relevant to:</p> <ul style="list-style-type: none"> - executing transactions as instructed by the Responsible Entity and recording and valuing investments to the Fund administrator; and - maintaining custody and underlying records of investments to a custodian. <p>Valuation and existence of investments in Coin Interests is a key audit matter due to:</p> <ul style="list-style-type: none"> - the size of the Fund’s portfolio of Coin Interests; and - the importance of the performance of these investments in driving the Fund’s investment income and capital performance, as reported in the Financial Report. <p>As a result, it was the area with the greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> - We evaluated the Fund’s treatment and disclosures of the Coin Interests, using our understanding obtained from our testing, against the requirements of the accounting standards. - We assessed the appropriateness of the accounting policies applied by the Fund, including those relevant to the fair value of the Coin Interests, against the requirements of the accounting standards. - We checked the existence of the Fund’s Coin Interests in the Sub-Fund, being the ownership and quantity held, to the external registry reports as at 30 June 2024. - We obtained and read the Sub-Fund’s Service Providers’ System and Organisation Controls 1 (SOC1) assurance reports to understand the processes and controls relevant to: <ul style="list-style-type: none"> o the custodian to maintain custody and underlying records of the Fund’s investments; and o the fund administrator’s to execute transactions, record and value of the Fund’s investments. - We obtained and read the Sub-Funds’ Service Providers’ bridging letters over the period not covered by the SOC1 assurance reports. We compared the processes and controls in the bridging letters for consistency with those in the SOC1 assurance reports. - We checked the existence of Ethereum held by the Sub-Fund, being the ownership and quantity held, to the external custody reports and publicly available blockchain records (block explorer sources) as at 30 June 2024. - We checked the valuation of Ethereum held by the Sub-Fund to independently sourced quoted market prices from relevant cryptocurrency exchanges as at 30 June 2024.

Other Information

Other Information is financial and non-financial information in Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Global X Management (AUS) Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our Auditor's Report.


KPMG


Nic Buchanan

Partner

Sydney

19 September 2024